



ANNUAL REPORT

OCTOBER 31, 1966

DISTRICT TRUST COMPANY

A MESSAGE FROM THE CHAIRMAN

Here is the Financial Statement for the year ending October 31, 1966.

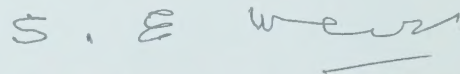
Our child is growing.

According to custom, I have asked the President and General Manager to comment on the figures.

I hope you will be pleased with them.

The Directors continue to serve without remuneration. In particular the Members of the Executive Committee who meet almost every week contribute their enthusiastic help, without fee.

Thanks are due to our personable staff for their close attention to the business of the Company.

A handwritten signature in dark ink, appearing to read "S. E. Weir". The signature is written in a cursive, flowing style with a horizontal line underneath the name.

Chairman.

A MESSAGE FROM THE PRESIDENT

With great pleasure we submit our Third Annual Report.

From an accumulated deficit of \$12,919 we have moved to an earned surplus position of \$5,523 in the past twelve months.

Our gross operating profit for the year before depreciation and reserves, was \$35,215. This operating figure should continue to grow at an accelerated rate.

In the past six months your President and Mr. Cunningham, our General Manager, have been active with the executive of eleven other of the newer Trust Companies in proposals to the Minister of Finance and to the Parliamentary Committee on Finance as to our views on the amendments to the Bank Act.

The Porter Commission report suggests that more competition amongst financial institutions will be good for the Canadian economy as a whole. The newer Trust Companies believe that rather than enlarge the powers of the banks, who already control 85% of the country's monetary assets, Trust Companies should be allowed to compete on a more equitable basis. Depositors will benefit with higher interest income. Borrowers will benefit by paying less for the money borrowed.

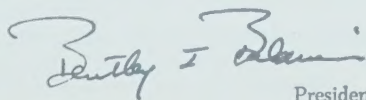
The Minister of Finance has suggested that Federal deposit insurance will be made available to depositors through companies which may participate. With this we heartily agree.

We are not overlooking the fiduciary function of the Trust Company as such, and continue to stress that our prime reason for existence is to provide competent service in the Estates, Trust and Agency field.

We anticipate an ever growing need for responsible people to administer the estates of our clients and shareholders. For this reason we are training and enlarging the staff in our Trust Department.

Your executive committee continues to devote many hours each week to the interest of our clients and shareholders. On your behalf I thank them.

The administration of your Company under Mr. Cunningham and his responsible staff, again is recognized for a job well done.



President.

THE GENERAL MANAGER REPORTS

We are pleased to submit the Financial Reports for the year ending October 31st, 1966. The enclosed balance sheet, statement of income and statement of retained earnings reflect our second twelve-month operating period.

This has been an exceptional year for our Company. Aside from the fact that our total assets have increased 76%, we have produced an operating profit, before depreciation and reserves, of \$35,215 against \$2,487 for last year. We have taken \$12,078 depreciation (double the previous year's amount) expense, and to provide a strong, sound Company, have allocated \$5,000 reserves against our mortgage portfolio.

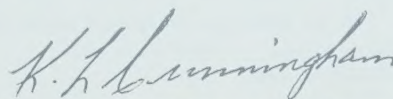
This year's net income of \$18,137 is a marked improvement over last year's deficit of \$4,123, particularly when we had anticipated a deficit for five years.

The \$18,137 has also allowed us to eliminate the \$12,919 accumulated deficit and leave \$5,217 as retained earnings.

Your Directors have given considerable thought to present economic conditions. The tight money situation which started to develop in April 1965 has resulted in higher interest rates. Despite this fact, our deposits have increased nearly \$1,200,000 to \$3,394,230. Exceptional care has been taken to see that the moneys left in trust with your Company are properly invested.

The increase in the mortgage portfolio of \$665,000 coincided with the purchase of \$286,000 Government of Canada and Provincial bonds, bringing the total bond portfolio to \$1,174,014. Naturally, our growth produces other changes. During the past year the Company has entered the Property Management field. In addition, we have under administration \$278,485 in assets, which represents estates, trust and agency business. This requires additional personnel which in turn requires additional space. It is foreseen that next year our Company will have to arrange for additional Head Office space.

The death this year of our Director, Mr. E. A. Spence of Strathroy, is recorded with regret. Mr. Spence gave invaluable advice and time to the Company in the operation of our Strathroy Branch. We extend our sympathy to his family. Acknowledgement must also be given to our efficient staff, whose efforts are reflected by the Company's growth.



General Manager and Treasurer.

DISTRICT TR

(Incorporated under the law

BALANCE SHEET

October 31, 1966

(with comparative figures for 1965)

ASSETS

	1966	1965
CASH	\$ 135,597	\$ 68,959
SECURITIES (NOTE 1)		
Government of Canada	610,543	607,053
Provincial	529,365	228,389
Municipal	32,069	38,100
Other	2,036	14,299
	<u>1,174,013</u>	<u>887,841</u>
LOANS, SECURED	234,343	20,111
MORTGAGES, less reserve	<u>3,593,407</u>	<u>2,928,245</u>
OFFICE PREMISES AND EQUIPMENT at cost less depreciation	<u>75,707</u>	<u>86,214</u>
OTHER ASSETS	<u>662</u>	<u>880</u>
	<u>\$5,213,729</u>	<u>\$3,992,250</u>
ESTATES, TRUSTS AND AGENCIES		
Securities, cash and other assets — 1966, \$278,485; 1965, \$102,218		

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of District Trust Company as at October 31, 1966. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet presents fairly the financial position of the company as at October 31, 1966.

Toronto, Canada,
November 15, 1966.

GUNN, ROBERTS AND CO.
Chartered Accountants.

ST COMPANY

(the Province of Ontario)

SHEET

1966

at October 31, 1965)

LIABILITIES

	<u>1966</u>	<u>1965</u>
GUARANTEED TRUST ACCOUNT		
Deposits	\$1,509,486	\$1,037,728
Investment certificates	<u>1,884,744</u>	<u>1,160,000</u>
	<u>3,394,230</u>	<u>2,197,728</u>
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	<u>32,213</u>	<u>25,372</u>
SHAREHOLDERS' EQUITY		
Capital stock (NOTE 2)		
Authorized — 500,000 shares of \$10 each		
Issued — 160,000 shares	1,600,000	1,600,000
Contributed surplus	<u>182,069</u>	<u>182,069</u>
	1,782,069	1,782,069
Retained earnings (deficit)	<u>5,217</u>	<u>(12,919)</u>
	<u>1,787,286</u>	<u>1,769,150</u>
	<u>\$5,213,729</u>	<u>\$3,992,250</u>

Attested: (Signed) S. E. WEIR, Q.C.
Chairman of the Board.

(Signed) BENTLEY I. BALDWIN,
President.

NOTES TO FINANCIAL STATEMENTS:

1. Securities are stated at not in excess of amortized cost. Market value amounted in the aggregate to \$1,116,600.
2. Warrants are outstanding entitling the holders to purchase 40,000 shares at \$12.50 per share exercisable on or before May 1, 1969.
3. No provision for income taxes is required due to the application of a portion of prior years' losses.

DISTRICT TRUST COMPANY

STATEMENT OF INCOME

*Year ended October 31, 1966
(with comparative figures for 1965)*



	<u>1966</u>	<u>1965</u>
Interest earned — company funds		
Bonds	\$ 25,413	\$ 43,317
Mortgages	79,640	51,758
Loans	—	1,592
	<u>105,053</u>	<u>96,667</u>
Profit on sale of securities	—	9,057
Guaranteed fund interest income in excess of interest expense	59,445	32,090
Other income	13,141	6,282
	<u>177,639</u>	<u>144,096</u>
Expenses		
Salaries	71,267	59,606
Rent	6,575	6,575
Printing and stationery	6,525	14,170
Advertising	5,938	9,467
Legal and audit	3,687	3,143
Other operating expenses	48,432	48,648
	<u>142,424</u>	<u>141,609</u>
Income before the undernoted items	<u>35,215</u>	<u>2,487</u>
Deduct		
Depreciation	12,079	6,610
Provision for possible losses on mortgages	5,000	—
	<u>17,079</u>	<u>6,610</u>
Net income (loss) for year	<u>\$ 18,136</u>	<u>\$ (4,123)</u>

STATEMENT OF RETAINED EARNINGS

*for the year ended October 31, 1966
(with comparative figures for 1965)*

	<u>1966</u>	<u>1965</u>
Deficit at beginning of year	\$ 12,919	\$ 8,796
Net income (loss) for the year	<u>18,136</u>	<u>(4,123)</u>
Retained earnings (deficit) at end of year	<u>\$ 5,217</u>	<u>\$(12,919)</u>



DISTRICT TRUST COMPANY

OFFICERS AND DIRECTORS

OFFICERS

SAMUEL EDWARD WEIR, *Chairman of the Board*

BENTLEY IVAN BALDWIN, *President*

WILLIAM COLE PLATT BALDWIN, *Vice-President*

FREDERICK MCGILL HALLS
Vice-President

KENNETH LUKEY CUNNINGHAM
General Manager and Treasurer

OLIVE LORETTO WOOLCOCK
Secretary

DIRECTORS

WILLIAM JOHN AMOS Parkhill, Ontario	JOHN WILKINSON DOUGLAS Ingersoll, Ontario	FREDERICK OXLAND KIME London, Ontario	JOHN BRYAN NASH London, Ontario
BENTLEY IVAN BALDWIN London, Ontario	WILLIAM JENKIN GORMAN London, Ontario	THOMAS FORD KINGSMILL London, Ontario	EWART WILSON OSTRANDER Tillsonburg, Ontario
WILLIAM COLE PLATT BALDWIN London, Ontario	LYLE HARDING GRAY Ridgetown, Ontario	JAMES GORDON LIND London, Ontario	EDWARD ERNEST REILLY London, Ontario
KENNETH LUKEY CUNNINGHAM London, Ontario	FREDERICK MCGILL HALLS London, Ontario	FRANCIS JOHN McDONALD Islington, Ontario	CHESTER HIRAM SMITH St. Thomas, Ontario
FREDERICK FRANCIS ROUSE BOYES Parkhill, Ontario	HOWARD LAWRENCE HAYMAN London, Ontario	WILLIAM JOHN McDUGALL London, Ontario	EDWIN ALTON SPENCE* Strathroy, Ontario
NORMAN GEORGE BURDICK London, Ontario	ARTHUR MACDIARMID HUESTON Aylmer, Ontario	JOHN ALEXANDER MCNEE London, Ontario	PETER FRANCIS TILLMAN London, Ontario
STUART HERMAN CARVER London, Ontario	JOHN ALFRED IRVINE Lambeth, Ontario	GEORGE TAYLOR MOORE Arva, Ontario	SAMUEL EDWARD WEIR London, Ontario
	WALTER ALAN KEYSER Don Mills, Ontario	STANLEY ALEXANDER MORTIN St. Thomas, Ontario	

* Deceased 1966

EXECUTIVE COMMITTEE

B. I. BALDWIN
W. C. P. BALDWIN

K. L. CUNNINGHAM
F. M. HALLS

H. L. HAYMAN
F. O. KIME

T. F. KINGSMILL
J. A. MCNEE

S. E. WEIR

LEGAL COUNSEL
WEIR & ASSOCIATES

AUDITORS
GUNN, ROBERTS AND CO.



SERVICES OFFERED
BY
DISTRICT TRUST COMPANY

*Savings Accounts — 4% interest on
minimum semi-annual balance*

*Deposit Accounts — 4-1/8% interest on
minimum monthly balance*

Guaranteed Investment Certificates

Registered Retirement Savings Plans for Individuals

Estate Planning

Safety Deposit Boxes

Investment Management

First Mortgage Loans — Residential, Commercial, Industrial

Real Estate Appraisals and Property Management

DISTRICT TRUST OFFICES TO SERVE YOU

Head Office — 484 Richmond Street, London, Ontario

26 Front Street West, Strathroy, Ontario

Covent Market Branch, London, Ontario